

Women Entrepreneurship in Chennai, India – Factors Trigger and Prevent

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Abstract

Last four decades of the 20th century has seen faster growth in the women entrepreneurship underpinning the profound success of the globalized Indian economy. The women entrepreneurs encounter numerous challenges in various areas of production, marketing, finance, and other business operations. The objective of this research study is to analyze the various factors affecting the women entrepreneurship development in the Small and Medium Enterprises (SMEs) of the industrial estates of Chennai. The study is focused on 107 women entrepreneurs of the SMEs, who were selected on the basis of random sampling and were contacted through a well-defined questionnaire. The primary data collected was compiled and thoroughly analyzed to arrive at conclusions. A critical analysis was carried out using null hypothesis, Chi-square tests, and ranking tests. The study reveals that the factors such as education, previous experience and employment, and religion play a crucial role in motivating most of the today's women-run SMEs. Further, this paper critically analyzes the discouraging factors impeding the women entrepreneurial development in the SMEs across the industrial estates of Chennai, the State Capital of Tamil Nadu (India). Our empirical results reveal that the financial impediments discourage the behavior of the women entrepreneurs to the highest degree and preventing their operations causing enormous anguish as governmental financial programs (good on paper) are seldom executed on the ground. Hence, Government ought to help the women entrepreneurs through financial assistance especially during the moratorium period of the units, facilitating the acceleration process. Government assistance and adequate financial support as detailed in the Effective Forces Model could only repulse the frictional forces acting against the women entrepreneurs and lead them toward successful entrepreneurship. This research study gives further scope to the researchers to get to the bottom of the iceberg to find out the other factors which could promote women entrepreneurship.

Keywords

Small and medium enterprises, Women entrepreneurship, Motivating factors, Discouraging factors, Factors related to women entrepreneurial development.

Introduction

Poverty eradication has been the major target of Small and Medium Enterprises (SME) in most developing countries. SMEs represent 80% of the industrial base of most developed countries (Mathew, 1999) and the role played by this sector in the economic development in these countries is very significant. The growth of SME Sector has been a dominant feature of Indian economic development strategy since independence (Neetubala, 2007). In modern India, SMEs have been successful and they have emerged vibrantly against the rising threats from large scale enterprises and multinational companies. SMEs constitute about 95% of the total industrial units and produce more than 7,500 products (Suryanarayana and Krishnamohan, 2005). According to the third census report (2002-2003) 3,40,202 entrepreneurs are in Tamil Nadu, of which 39,200 enterprises are situated in Chennai city, out of which 20% of enterprises (13,114) owned by women.

Of late women entrepreneurs play a pivotal role in economic development particularly in SMEs. In the bygone days, the percentage of women entrepreneurs was very low in rural and urban areas because of various factors. But, after the Second World War the number of women entrepreneurs has grown at a faster pace. In the United States, women entrepreneurs own 25% of businesses, one-fifth in France and one-third in Canada. In common parlance, women entrepreneurs play an indispensable role in all sectors. The Government of India has defined women

entrepreneurs based on women participation in equity and employment of a business enterprise. Accordingly, a woman entrepreneur is defined as “an enterprise owned and controlled by a woman having a minimum financial interest of 51% of the capital and giving at least 51% of employment generated in the enterprise to women.” However, this definition is subject to criticism mainly on the condition of employing more than 50% women workers in the enterprise owned and run by the women. As per Khanka, women entrepreneurs are those women who think of a business enterprise, initiate it, organize, combine the factors of production, operate the enterprise, and undertake risks and handle economic uncertainty involved in running a business enterprise (Khanka, 2007). In India, women constitute around 48% of the population, but their participation in the economic activities is only 34% (Vinesh, 2014). As per the RBI report of July 2005, women entrepreneurs constitute 10.11% of the number of entrepreneurs in India. At present, SMEs are producing wide range of items with technology varying from traditional to state of art. SMEs providing employment to nearly 20 million persons, accounting for 40% of the value added in the manufacturing sector, 34% of total national export and 7% gross domestic product.

SMEs are the hub of many economic activities in a developing country like India and the socio-economic transformation of India cannot be achieved without paying adequate attention to the development of this labor intensive and capital sparing sector

(Prasain and Singh, 2007). Thus, to facilitate entrepreneurs in special areas with infrastructural conveniences - the industrial estates have been established in different parts of India, especially in Chennai, the capital city of the State of Tamil Nadu, India.

In the recent past, Chennai has seen a faster growth of emergence of greater number of women entrepreneurs. As the number of women entrepreneurs increasing, their problems as to production (raw material availability, capacity utilization, and storage), marketing (cut throat competition, adopting cost-oriented method of pricing, lack of advertisement, and non-branding), infrastructure and financing are also increasing. Many people vaguely quote these as managerial problems. Above all starting up a business unit itself poses big problems (Brindakalyani, 2008).

Attempts have been made to investigate into the conceptual facts. The root cause of the women entrepreneurs' problems remains not well identified and unsolved, giving room for further study.

Literature Review

Early scholars assumed that male and female entrepreneurs were of same characters and hence the learned concepts about men apply equally to women and thus the latter did not require separate investigation (Achtenhagen and Welter, 2011; Bruni et al., 2004). But, "Do women and men equally engage in entrepreneurial activities?" Numerous studies have found out that females are much less likely than males involved in different forms of entrepreneurial activities, which is a global truth. The authors of the Global Entrepreneurship Monitor (GEM) Women's Report noted that across the 59 participated economies, only Ghana had more women entrepreneurs than men, and only a handful of economies had about equal number of women and men entrepreneurs and the vast majority had more men than women. This trend remained constant across a set of 18 economies that participated in GEM from 2002 to 2010. (Kelley et al., 2011).

Motivating factors

Ambitions or aspirations motivate and activate men and women, broader their vision and make the life meaningful. Ambition is an index of one's own resources. The ambition build's up achievement "pressure" in the individual concerned.

Ambition is not something akin to greed or windfall. Greed results in disaster whereas windfall makes one a speculator. Well-conceived notions, careful planning, calculated risk taking, timely decision making, and swift execution make the ambition meaningful and fruitful. As regard the entrepreneur's ambitions Khairoowala (1987) categorized and listed them as motivating factors (Table 2) in conceiving the ideas to start SMEs at the Industrial Estates across Chennai.

Cohoon et al. (2010), explored the men and women entrepreneurs' motivations, background and experiences which identified top five financial and psychological factors motivating women to become entrepreneurs. These are "desire to build wealth," "wish to capitalize own business ideas they had," "appeal of startup culture," "desire to own their own company" and "working with someone else did not appeal them." The study was based on the

Table 1: Demographic information about the respondents

Characteristics	Frequency	Percentage
Gender		
Female	107	100
Marital status		
Single unmarried	21	19.6
Married	73	68.3
Married divorced/separated	7	6.5
Widow	6	5.6
Age (years)		
19-29	28	26.2
30-39	64	59.8
40-49	13	12.1
50-59	1	0.9
>60	1	0.9
Religion		
Hindu	76	71.0
Muslim	16	15.0
Christian	8	7.5
Others	7	6.5
Educational qualification		
Illiterate	9	8.4
School	24	22.4
Graduate/diploma	55	51.4
Postgraduate	2	1.9
Professional qualification	17	15.9
Legal status		
Proprietorship	71	66.4
Partnership	17	15.9
Hindu undivided family	3	2.8
Private limited	3	2.8
Public undertaking	4	3.7
Others	9	8.4
Enterprise registration		
Registered	328	85.6
Not registered	55	14.4
Previous employment (years)		
<5	24	22.4
5-10	12	11.2
10-15	7	6.5
>15	2	1.9
Not committed	62	57.9
Family type		
Nuclear family	64	59.8
Joint family	43	40.2
Family size (members)		
<4	32	29.9
4-7	62	57.9

Contd...

Table 1: Contd...

Characteristics	Frequency	Percentage
>7	13	12.1
Business type		
Beauty products	2	1.9
Cookery	4	3.7
Chemical products	8	7.5
Drugs/pharmaceuticals	2	1.9
Herbal products	7	6.5
Electrical items	3	2.8
Electronics	6	5.6
Engineering	7	6.5
Garments	17	15.9
Handicrafts	9	8.4
Jute products	12	11.2
Leather products	13	12.1
Plastics	6	5.6
Stationary	8	7.5
Others	3	2.8
Sector		
Industry	76	71.1
Service	10	9.3
Business	21	19.6
Registration		
Registered	99	92.5
Not registered	8	7.5
Type of unit		
Main unit	105	98.1
Ancillary	2	1.9

Source: Questionnaire

data collected from successful women entrepreneurs. Out of them 59% had founded two or more companies.

Like men, women also have multiple reasons for starting a business - non-economic reasons which are more important economic ones. Due to gender differences in education or business networks, women might be relatively uninformed about investment opportunities and untrained in basic cost-benefit analysis (Karlan and Martin Valdivia, 2008). However, non-work family factors play a stronger role for women than for men. Younger women are better educated and have better business skills and more likely to plan and set goals (BYST, 2009). No single factor motivates women to become an entrepreneur. Her reasons for that depend on several personal and external circumstances. Family support, social perceptions, and attitudes toward women entrepreneurship are just some of the factors influencing the decision to become a female entrepreneur (Ascher, 2012). In most European countries, women are motivated by being in control of the choice of the work they undertake to apply their skills and knowledge; women seek entrepreneurship for flexibility and autonomy, satisfaction and personal growth, and income and prestige (Orhan and Scott,

2001). The main motivation for women in New Zealand who started their own business is to meet their need for challenge, flexibility and career advancement (McGregor, 2004). A study of women entrepreneurs in Qatar confirmed that the motivation for start-ups were mainly independence, self-fulfillment, and wealth accumulation (Abdalla, 2007).

Discouraging factors

In this changing economic environment new avenues have emerged for developing skills and energies of women all over the world and, in fact, the firms owned by women are growing steadily (Davidson and Burke, 2004). However, the ultimate success of an entrepreneur depends on the judicious decision on the selection of a unit. The resourcefulness of an entrepreneur is put to test in such selection. Decision making in this regard requires the expertise of professional guidance because SME is such where it is impossible to locate a mistake that is committed once, since a small entrepreneur can least afford to experiment on alternative ideas or plans. A number of reasons as listed in Table 3 was considered the reasons for selecting the unit. There are factors such as "Timely allotment of plot," "construction of sheds and supply of machinery," "Availability of working capital," "Commencement of production in time" which motivate an entrepreneur in setting up a unit starts acting negatively if these factors do not co-ordinate with each other, the result is discouragement (Jaffarulla, 1992).

Discouraging reasons, if any, were elicited from the women entrepreneurs as many of them were not keen on disclosing the details of the discouragement they faced (LalithaRani, 1996). Deshpande and Sethi (2009) summarized the discouraging factors of Indian women entrepreneurs which were as follows: Problem of finance, scarcity of raw materials required for productive capacities, cut-throat competition with other group of men, limited mobility of women, family responsibilities and commitments, lack of education and women illiteracy, male domination, lesser risk, and uncertainty bearing attitude, lack of self-confidence, orthodox attitude of restricting women from becoming an entrepreneur, insufficient support and no backup for women from family members and outsiders. A study of women entrepreneurs in Qatar concluded that the social factors that limited equal participation of women in entrepreneurship included the consolidated distribution of roles between sexes and the stereotypes for the role of women in the family, in nurturing children (Abdalla, 2007). Another factor related to the insufficient structures supporting women in nurturing of children and other dependent family members (Sarri and Trihopoulou, 2005).

A woman entrepreneur is dependent on both demand side (political and institutional framework, family policy, and market sources) and supply-side factors (the availability of suitable individuals to occupy women entrepreneurial roles). Both these factors affect the gender system and the women entrepreneurship in society as well (Baum and Singh, 2005).

Access to finance is a key issue for women. Accessing credit, particularly for starting an enterprise, is one of the major constraints affecting women entrepreneurs. Women often have

Table 2: Showing the motive for starting the business

No.	Motivational factors influencing the idea	SA	A	UD	D	SD	χ^2 sig _{.01}
1	To achieve dream goal as to fulfill own ambition	89 83.2%	14 13.1%	1 0.9%	2 1.9%	1 0.9%	272.579
2	To satisfy basic needs and to gain independent living	68 63.6%	26 24.3%	1 0.9%	8 7.5%	4 3.7%	144.449
3	Frustration due to unemployment	54 50.5%	39 36.4%	2 1.9%	8 7.5%	4 3.7%	104.262
4	An ambition to gain social status	24 22.4%	47 43.9%	1 0.9%	17 15.9%	18 16.8%	51.832
5	Desire for social recognition	58 54.2%	39 36.4%	2 1.9%	7 6.5%	1 0.9%	123.794
6	To have self employment	22 20.6%	17 15.9%	7 6.5%	15 14.0%	46 43.0%	40.804
6	Dissatisfaction in previous Job	4 3.7%	7 6.5%	7 6.5%	13 12.1%	76 71.0%	176.131
7	Due to previous experience in the line of activity	57 53.3%	42 39.3%	3 2.8%	5 4.7%	0 0%	81.673
8	To satisfy parent's/spouse/children's ambition	53 49.5%	23 21.5%	2 1.9%	9 8.4%	20 18.7%	71.645
9	Advice and encouragement from family members	88 82.2%	15 14.0%	3 2.8%	1 0.9%	0 0%	191.280
10	Advise and encouragement of friends and relatives	56 52.3%	35 32.7%	3 2.8%	6 5.6%	7 6.5%	101.178
11	Success stories of entrepreneurs	55 51.4%	35 32.7%	11 10.3%	6 5.6%	0 0%	57.748
12	Financial liberty/assistance from non-government sources	44 41.1%	21 19.6%	5 4.7%	13 12.1%	24 22.4%	40.056
13	Inherited property/spouse's property	35 32.7%	24 22.4%	6 5.6%	17 15.9%	25 23.4%	21.551
14	To make use of idle funds	60 56.1%	25 23.4%	11 10.3%	10 9.3%	1 0.9%	100.804
15	Diversification of economic interests	61 57.0%	24 22.4%	11 10.3%	11 10.3%	0 0%	62.682
16	To do something for the society	70 65.4%	24 22.4%	4 3.7%	3 2.8%	6 5.6%	151.738
17	To make money	103 96.3%	1 0.9%	2 1.9%	0 0%	1 0.9%	289.822

Source: Questionnaire

fewer opportunities than men to gain access to credit for various reasons, including lack of collateral, an unwillingness to accept household assets as collateral and negative perceptions of female entrepreneurs by loan officers (Gatakaa, 2012). High transaction costs, the rigidity of collateral requirements and heavy paperwork are further impediments to women entrepreneurs (Stevenson and Jarillo, 2003).

Goyal and Parkash (2011) found that the serious problems faced by women entrepreneurs as improper infrastructural facilities, high cost of production, attitude of society toward the women modern business outlook, low needs of enterprise. They also concluded that motherhood, lack of management experience and traditional socialization are the reasons for delayed entry by women into entrepreneurial careers.

Earlier attempts try to investigate the problems faced by the women entrepreneurs across the different parts of the country and this study focuses on the factors triggering the women to take up entrepreneurship and the factors preventing them in their pathway to success.

Research Methodology

The survey was conducted among various small scale industrial estates of Chennai and 107 women entrepreneurial units-surveyed were selected on the basis of random sampling and contacted through the structured questionnaire. The analysis involved various statistical analyzes like "Ranking" analysis and Chi-square tests and the tests like Kolmogrov-Smirnov (K-S) one sample tests. ANOVA and degrees of freedom were also used to analyze to determine the problem which is most

discriminate with the women entrepreneur and the problem which is least discriminate to the women entrepreneur.

Analyses and findings

It can be seen from the Table 2 that 96.3% of the entrepreneurs have worked hard with innovative ideas in their career to come up in life and they strongly agreed that “To make money” is the main motive for their success.

K-S calculated value = 3.4095 which shows that there is a significant relationship between rank factors and reasons for starting the unit. The factors indicated were rated by K-S one sample test and ranked according to the mean rank (weighted average). It can be seen from the Table 3 that the entrepreneurs believe the reason for starting the unit is “High Profit Margin” followed by the reason “To stand on my own legs.”

K-S calculated value = 1.9246 which clearly shows that there is a significant relationship between rank factors and discouraging factors in the commencement of the unit. It can be seen from the K-S test ranking in the Table 4 that the entrepreneurs believe the prime discouraging factor is “Shortage of Working Capital” (ranked by 26.8%), followed by “Lag - time delay in allotment of plot/shed” (21.65%); followed by “Lag - delayed commencement of production due to the want of materials” (19.15%).

K-S calculated value = 1.8995 which clearly shows that there is a significant relationship between rank factors and discouraging factors in the commencement of the unit. It can be seen from the K-S test ranking in the Table 5 that the entrepreneurs believe the prime reason for decrease in interest in entrepreneurship is “Insufficiency of financial support,” followed by “increasing dual responsibilities”; followed by “Insufficient support from spouse and family members.”

It is evident from Table 6 that the null hypothesis is rejected (as calculated value of χ^2 is > the tabulated value of χ^2 i.e. $p < 0.05$) i.e. it connotes that there is a significant relationship between educational qualification of the entrepreneurs and the type of business units i.e. education plays a dominant role in selecting the line of activity (i.e. type of business).

It is evident from Table 7 that the null hypothesis is rejected as $p < 0.05$ i.e. it connotes that there is a significant relationship between religion of the entrepreneurs and the type of business. Therefore, it is confirmed that religion plays a dominant role in selecting the line of activity.

It is evident from Table 8 that the null hypothesis is rejected as $p < 0.05$ i.e. connotes that there is a significant relationship

Table 3: The reasons for starting the unit

No.	Reasons for starting the unit	Rank 1	Rank 2	Rank 3	Rank 4	Rank 5	Rank 6	Total	Mean rank
1	Easy to set up	3	14	14	14	7	10	62	3.3870
2	High profit margin	40	11	4	14	7	2	78	4.7307
3	No difficulty in securing men and materials	16	3	7	22	10	6	64	3.6093
4	No difficulty in securing technical know-how	0	7	4	3	18	11	43	2.4883
5	Previous employment experience	2	8	0	11	8	12	41	2.7560
6	Existence of similar industry in the neighborhood	11	3	11	4	9	11	49	3.3877
7	Hereditary	3	13	8	11	7	15	57	3.1052
8	Training and guidance is available in this line	4	5	3	15	7	6	40	3.1500
9	To stand on my own legs	17	9	5	2	13	9	55	3.7818
10	To become a successful entrepreneur	4	33	10	7	18	17	89	3.4044
11	Feasibility of running the business	7	1	41	4	3	8	64	3.7031
	Total	107	107	107	107	107	107		

Source: Questionnaire

Table 4: The discouraging factors in the process of setting up the unit

No.	Discouraging factors	Rank 1	Rank 2	Rank 3	Total	Mean rank
1	Delay in allotment of plot/shed	32	15	13	60	2.580
2	Delayed construction of sheds due to delayed approval	2	9	11	22	1.466
3	Delayed construction of plot due to delayed finance	5	3	31	39	2.983
4	Delayed supply of machinery	5	36	34	75	2.554
5	Delayed commencement of production due to the want of men, machinery, materials and water connection	20	28	7	55	2.040
6	Shortage of working capital	43	16	11	70	3.163
	Total	107	107	107		

Source: Questionnaire

Table 5: The reason for decreasing interest in entrepreneurship

No.	Reasons	Rank 1	Rank 2	Rank 3	Total	Mean rank
1	Insufficient support from spouse/family members	19	31	61	66	2.0455
2	Many responsibilities due to dual role played in family and business	28	16	24	68	2.0588
3	Insufficient financial support	40	23	23	86	2.1976
4	Delay in establishment of the industrial unit	2	8	11	21	1.5714
5	Disparity and sexual harassment in almost all the places	9	12	10	31	1.9677
6	Depends always on a male assistance	4	13	14	31	1.6774
7	Women is looked down – no equal status	5	4	9	18	1.7778
	Total	107	107	107		

Source: Questionnaire

Table 6: Type of business versus educational qualification

Type of business/ educational qualification	Illiterate	School level	UG/Diploma holder	Postgraduate	Professionals	Total	χ^2
Beauty products	0	0	2	0	0	2	86.428
Cookery	2	1	1	0	0	4	
Chemical products	0	3	4	0	1	8	
Drugs and pharmacists	0	0	1	0	1	2	
Herbal products	3	2	1	0	1	7	
Electrical items	0	0	1	0	2	3	
Electronics	1	1	2	1	1	6	
Engineering	0	1	2	1	3	7	
Garments	0	5	11	0	1	17	
Handicrafts	2	0	6	0	1	9	
Jute products	1	2	9	0	0	12	
Leather products	0	2	6	0	5	13	
Plastics	0	4	2	0	0	6	
Stationery items	0	1	7	0	0	8	
Others	0	2	0	0	1	3	
Total	9	24	55	2	17	107	
Chi-square tests							
	Value		df		Asymp. sig (2-sided)		
Pearson Chi-square	86.428						
No. of valid cases	107		56		0.006		

Df: Degree of freedom

between the type of business and the previous experience i.e. confirmed that previous experience plays a dominant role in selecting the line of activity.

It is evident from Table 9 that χ^2 is significant as calculated value of $\chi^2 = 34.155 > 32.000 =$ tabulated value of χ^2 i.e. $p < 0.05$. There is a no significant difference between years of experience in previous employment status and success rate of respondents i.e. confirmed that the number of years of experience in previous employment will influence the success of the entrepreneurs.

It is evident from Table 10 ($p < 0.05$), that the value of χ^2 was found to be significant i.e. the calculated value of χ^2 (i.e. 82.277) > the

tabulated value of χ^2 i.e. there is significant relationship between the age and the types of business. Therefore, it is confirmed that the age at the time of starting the unit will influence the type of business of the entrepreneurs. This indicates that earlier the innovation more the scope for the success of the entrepreneur.

Results

It is clearly seen from the observations that the motive for starting the business is “to make money” i.e. to earn financial status and “high margin of profits” is the prime factor in the selection of a unit in the industrial estates. Thus, it is evident that the women entrepreneurs prefer finance factor prior to all other factors in ranking. “Shortage of working capital” is

Table 7: Type of business versus religion

Type of business/religion	Hindu	Muslim	Christian	Others	Total	χ^2
Beauty products	2	0	0	0	2	64.434
Cookery	3	0	0	1	4	
Chemical products	6	0	2	0	8	
Drugs and pharmacists	0	1	1	0	2	
Herbal products	5	1	1	0	7	
Electrical items	1	0	0	2	3	
Electronics	4	2	0	0	6	
Engineering	5	0	1	1	7	
Garments	16	1	0	0	17	
Handicrafts	6	2	0	1	9	
Jute products	7	4	1	0	12	
Leather products	11	2	0	0	13	
Plastics	2	2	1	1	6	
Stationery items	7	1	0	0	8	
Others	1	0	1	1	3	
Total	76	16	8	7	107	
Chi-square tests						
	Value	Df	Asymp. Sig (2-sided)			
Pearson Chi-square	64.434	42	0.015			
No. of valid cases	107					

Df: Degree of freedom

Table 8: Type of business versus years of experience

Type of business/years of experience in the previous employment	<5 years	5-10 years	10-15 years	>15 years	Not comp	Total	χ^2
Beauty products	1	1	0	0	0	2	62.410
Cookery	1	0	0	1	2	4	
Chemical products	2	1	0	0	5	8	
Drugs and pharmacists	1	1	0	0	0	2	
Herbal products	3	1	0	0	3	7	
Electrical items	1	0	0	0	2	3	
Electronics	3	1	0	0	2	6	
Engineering	0	3	2	0	2	7	
Garments	2	0	3	0	12	17	
Handicrafts	1	1	0	0	7	9	
Jute products	2	1	1	0	8	12	
Leather products	3	1	0	1	8	13	
Plastics	1	0	0	0	5	6	
Stationery items	2	1	0	0	5	8	
Others	1	0	1	0	1	3	
Total	24	12	7	2	62	107	
Chi-square tests							
	Value		Df		Asymp. Sig (2-sided)		
Pearson Chi-square	62.410		56		0.025		
No. of valid cases	107						
Df: Degree of freedom							

Table 9: The number of years of experience versus success rate

Years of experience	Success rate						χ^2
	Highly successful	Moderately successful	Neutral	Moderately unsuccessful	Highly unsuccessful	Total	
<5 years	9	5	2	3	1	20	34.155
5-10 years	3	19	7	0	0	29	
10-15 years	12	14	1	0	0	17	
>15 years	3	1	0	1	0	5	
Not commuted	11	14	4	5	2	36	
Total	38	43	14	9	3	107	
Chi-square tests							
		Value	Df	Asymp. Sig (2-sided)			
Pearson Chi-square		34.155	16	0.005			
No. of valid cases		107					

Df: Degree of freedom

Table 10: Type of business versus age at the time of starting the unit

Type of business\age at the time of starting the unit	19-29	30-39	40-49	50-59	>60	Total	χ^2
Beauty products	0	0	0	2	0	2	82.277
Cookery	1	3	0	0	0	4	
Chemical products	1	7	0	0	0	8	
Drugs and pharmacists	1	1	0	0	0	2	
Herbal products	3	3	1	0	0	7	
Electrical items	0	3	0	0	0	3	
Electronics	4	1	1	0	0	6	
Engineering	3	2	2	0	0	7	
Garments	4	9	3	1	0	17	
Handicrafts	1	3	3	1	1	9	
Jute products	3	7	1	1	0	12	
Leather products	2	7	4	0	0	13	
Plastics	2	3	1	0	0	6	
Stationery items	1	5	2	0	0	8	
Others	0	3	0	0	0	3	
Total	26	57	18	5	1	107	
Chi-square tests							
		Value	Df	Asymp. Sig (2-sided)			
Pearson Chi-square		82.277	56	0.013			
No. of valid cases		107					

Df: Degree of freedom

the major discouraging factor in all the stages of the women entrepreneurial development. The prime reason for decreasing interest in entrepreneurship is “insufficiency of financial support” followed by “Increasing Dual Responsibilities.” Any policy decision of an industrial organization involves financial implications and, therefore, the survival and the growth of SMEs suffer due to financial impediments.

Further, the following association between the socio-economic factors and the women entrepreneurship development were evaluated:

- Education plays a dominant role in selecting the line of activity (i.e. type of business) for a women entrepreneur.
- The religion of the women entrepreneurs affects their type of business.
- “The number of years of experience in previous employment” influences the success of women entrepreneurship.
- The number of years of experience in the previous employment will influence the type of business chosen by the women entrepreneur.
- The age at the time of starting the unit will influence the type of business of the women entrepreneurs (earlier the

innovation more the scope for the success of the women entrepreneur).

In spite of the tremendous services rendered by institutions such as District Industries Centre, Tamil Nadu Industrial Investment Corporation, Small Industries Development Corporation and Commercial Banks in the development and promotion, the SMEs continue to have problems. The problems emerge out from different areas such as marketing, sales, power supply, and production. The majority of the women entrepreneurs have reported facing the financial problem of shortage of working capital and they suggest that the working capital requirement can be met by the commercial banks on personal security and most of them confirmed that the main source for the management of working capital is commercial banks. Bank lending has become a popular source for working capital requirement.

The above factors illustrated by the help of “Driving Force (D F) model” (Khan, 2008) (the effects of forces driving an entrepreneur toward entrepreneurship) is shown in Figure 1.

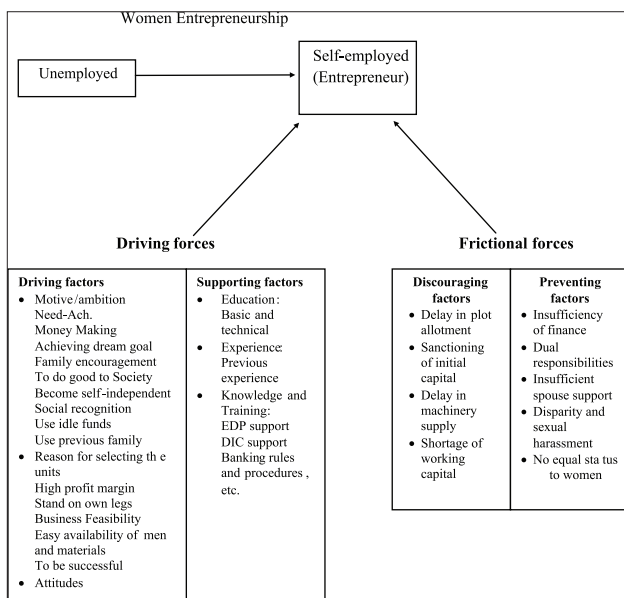


Figure 1: The driving force model of a successful entrepreneur

Discussion, Conclusion and Managerial Implications

From our findings mentioned above, the above moderated D F model as renamed by Khan (Khan, 2008) as Effective Forces Model (E F Model), which is influenced back and forth by the factor – ‘Finance’ which is influencing a women entrepreneur also at every stage can be used to explain our study (Figure 2).

The small enterprise development initiatives in India directed mainly by the Government, private substantial emphasis on relatively rigid institutional organizational structure and policies (Mathew, 1999). The government care becomes very much essential in timely provision of capital for the establishment of a SME unit starting from erection of machineries and the establishment of the unit and working capital deficiency hinders the SMEs from the commencement of. So, to avoid the delay – waiting for approval or loan sanction, SMEs could be provided with bridge loans at concessional rate to avoid units becoming sick. Besides, Government subsidies will also boost the morale of the women entrepreneurs who struggle a lot against the social and economic hurdles which they come across as a routine in their business ventures. Gupta and Handa (2004) also concluded that the Government must initiate action in creating a business environment conducive to SMEs. Government policies and subsidies will surely influence the women entrepreneurs and promote more women entrepreneurial development in the referred Industrial Estates.

The fast growth of SME sector could only be retained and protected only if the up-gradation of the existing technology through adequate financial support with reasonable rate of interest - to protect the sector from the challenges created by the Globalization (Nandagopal and Chinnaiyan, 2004).

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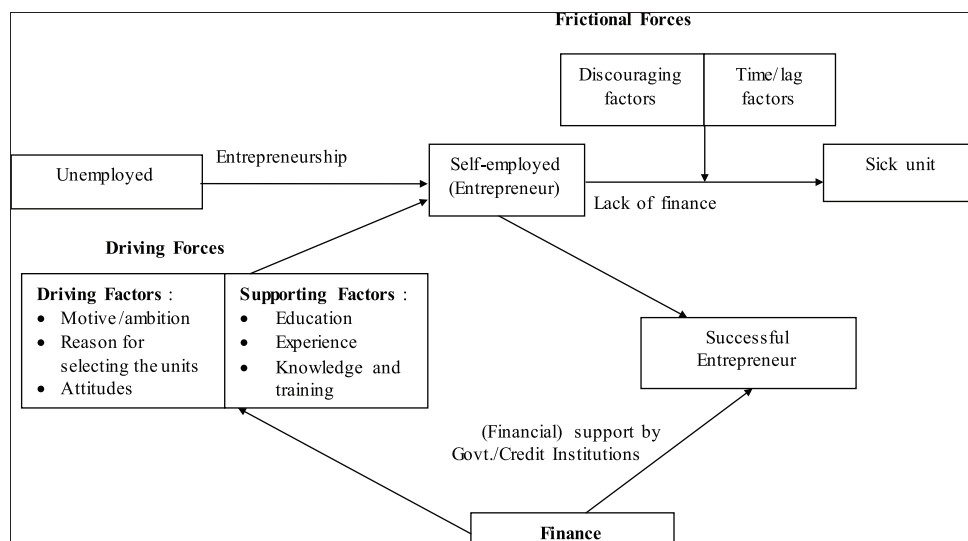


Figure 2: The effective force model of a successful women entrepreneur

- board: The representation of women's entrepreneurship in German newspapers. *Entrepreneurship and Regional Development*, 23(9-10), 763-786.
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